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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 09/719,056 | 02/12/2001 | Yoshihito Ishibashi | 450108-02448 | 3732 |

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FROMMER LAWRENCE & HAUG
745 FIFTH AVENUE- 10TH FL.
NEW YORK, NY 10151

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| EXAMINER |
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CANGIALOSI, SALVATORE A

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| ART UNIT | PAPER NUMBER |
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3621

DATE MAILED: 06/10/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/719,056

Applicant(s)

ISHIBASHI ET AL.

Examiner

Salvatore Cangialosi

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 March 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

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1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

Claims 16-18 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claim 16 only recites an abstract idea. The recited steps of merely providing prices for content and performing a mathematical analysis to modify a price does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to modify the price of content.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a

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useful, concrete, and tangible result. In the present case, the claimed invention produces billing information based on prices (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claim 16 is deemed to be directed to non-statutory subject matter. Note that the method on the computer readable medium, can be text based instructions for a human as opposed to instructions for a processor.

2. The following is a quotation of 35 U.S.C. § 103 which forms the basis for all obviousness rejections set forth in this

Office action:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Subject matter developed by another person, which qualifies as prior art only under subsection (f) or (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.

3. Claims 1-21 are rejected under 35 U.S.C. § 103 as being unpatentable over Nielsen(6002771(cited by applicant)) in view of Auerbach et al(5673316).

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Regarding claim 1, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a method of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured.

Regarding the use limitations of claim 2, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a method of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content which is a functional equivalent of the claim limitations. Regarding the account limitations of claim 3, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a method of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content by provided an encrypted

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discount which is a functional equivalent of the claim limitations. Regarding claim 4, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a method of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 5, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a program means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is

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further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 6, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 7, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a method of providing encrypted means for reducing the price of a

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second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 8, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a program means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would

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have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 9, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 10, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the

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content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 11, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a program means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 12, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a

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means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding the account limitations of claim 13, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a method of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content by provided an encrypted discount which is a functional equivalent of the claim limitations. Regarding claim 14, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is

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the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it is obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim 15, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a program means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase of encrypted content. It is noted that it is believed that the content shown are functionally equivalent to a right. It is further noted that it is obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured. Regarding claim

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16, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a method of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase. It is noted that it is believed that the content shown are functionally equivalent to a right. It is also noted that King et al (Col. 10, lines 55-65) show the old and well known business method of providing a discount for subsequent purchases.

It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured.

Regarding the price limitations of claim 17, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a program means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content which is a functional equivalent of the claim limitations. Regarding the decrypting limitations of claim 18, Ambrose et al (See Fig. 9, Col. 5, lines 25-50) show applying display to fuel fixtures which is a

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functional equivalent of the claim limitations. Regarding claim 19, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content including storage substantially as claimed. The differences between the above and the claimed invention is the use of explicit rights of purchase. It is noted that it is believed that the content shown are functionally equivalent to a right. It is also noted that King et al (Col. 10, lines 55-65) show the old and well known business method of providing a discount for subsequent purchases.

It is further noted that it obvious to encrypt content prior to sale or purchase. Auerbach et al (See Fig. 6, Col. 3, lines 5-20) shows that transmission of encrypted content is old and well known as well as a server applying discounts on a base price. It would have been obvious to the person having ordinary skill in this art to provide a similar arrangement for Nielsen et al because the transmitted digital content must be secured.

Regarding the price limitations of claim 20, Nielsen (See abstract, Figs. 1,2,4, 7, 9A, Col. 1, lines 40-60, Col. 5, lines 45-60, claims 1-29) disclose a program means of providing encrypted means for reducing the price of a second purchase based on a first purchase of digital content which is a functional equivalent of the claim limitations. Regarding the decrypting limitations of claim 21, Ambrose et al (See Fig. 9, Col. 5, lines

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25-50) show applying display to fuel fixtures which is a functional equivalent of the claim limitations.

Applicants arguments filed 03/14/2005 are moot due the new grounds of rejection.

Any inquiry concerning this communication should be directed to Salvatore Cangialosi at telephone number **(571) 272-6927**. The examiner can normally be reached 6:30 Am to 5:00 PM, Tuesday through Friday. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell, can be reached at **(571)272-6712**.

Any response to this action should be mailed to:

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or faxed to (703)872-9306

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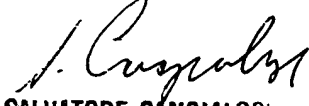
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Technology Center 3600 Customer Service Office whose telephone number is (703) 306-5771.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


SALVATORE CANGIALOSI
PRIMARY EXAMINER
ART UNIT 222